

DEFINITIONS

Term	General meaning
Employees	Individuals who are directly employed under a contract of service to provide personal services to an employer generally on a permanent (full time / part time), temporary (casual) or fixed-term basis. Employers are directly responsible for all remuneration, superannuation, employment taxes and insurances.
Independent Contractor	An individual, business or corporation carrying on a business that provides services to a business client under a commercial contract for service rather than an employment agreement.
Labour Hire Contractor (AKA Flex worker)	An individual who is generally engaged directly by a recruitment services company and supplied or “on-hired” to an end user client. The recruitment services company is directly responsible for all remuneration, superannuation, employment taxes and any insurances (as applicable and agreed between the parties).
Pty Ltd Contractor	An independent contractor that is an incorporated company, being a distinct legal entity, which employs an individual to perform the services and supplies them to an end user client. A third party company may provide an incorporated entity structure. Responsible for their own superannuation, tax and any insurances (as applicable and agreed between the parties).
Freelance individual contractor (AKA PAYG Contractor)	An independent contractor that is a freelance individual conducting business in his/her own right who receives a rate which is all inclusive of their entitlements.

WORKER MATRIX

Indicator	Pty Ltd Contractor	Freelance individual (AKA PAYG contractor)	Labour hire contractor (AKA flex worker)
Engagement	Engaged through an interposed entity (i.e. own Pty Ltd company or third party company) or on an individual basis through a commercial contract	Engaged as an individual conducting their own business	Employed by a recruitment services company and supplied or “on-hired” to an end user client often on an ‘as required’ basis
Terms of contract	Identifies results to be completed, specific work and scope	Identifies a specified term of a project or piece of work to be delivered	Identifies hours of work and personal duties which may be subject to change over time
Degree of Control*	High level of control over the work and freedom to determine how, when and where services are performed	Some control over the work but generally supervised by the end-user client	Limited control over his/her work and usually works under employer’s supervision during fixed hours
Exclusivity*	Non-exclusive and free to engage in alternative business activities and provide services to others	Generally free to engage in alternative business activities and provide services to others. Will generally offer loyalty to clients that offer them regular work	During the specified hours, work performed exclusively by the employee and cannot provide services to others but otherwise free to work for others
Tools / Equipment	Where appropriate can supply own tools and equipment and cover own costs	Where appropriate can supply own tools and equipment and cover own costs	Employer generally provides tools and covers business expenses
Delegation*	Free to delegate and subcontract work to third parties – depending on client terms and conditions.	May be free to delegate work to third parties depending on the terms of the contract	Work must be performed by the employee and can only be subcontracted to third parties with consent from client
Entitlements	Not entitled to statutory entitlements	Any entitlements form part of their rate	Entitled to paid leave (i.e. annual personal/carers or long service leave) or a loading in lieu of leave for casuals

Tax / Superannuation	Submits GST invoices for work completed and pays own tax and superannuation (unless individual contractor)	Receives a rate which is inclusive of all of their entitlements	Recruitment services company directly responsible for all remuneration, superannuation and employment taxes
Goodwill / Risk*	Carries on a business which creates goodwill, ability to make a profit/loss. Exposed to commercial risk and has insurances (as applicable and agreed)	Carries on a business on their own right and an ability to make a profit/loss. Exposed to commercial risk and may have insurance (as applicable and agreed)	No ability to generate goodwill and recruitment services company and/or client assumes risk and any insurances (as applicable and agreed)